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INFO RUEHBO/AMEMBASSY BOGOTA PRIORITY 5771
RUEHBR/AMEMBASSY BRASILIA PRIORITY 3624
RUEHCV/AMEMBASSY CARACAS PRIORITY 1856
RUEHLP/AMEMBASSY LA PAZ JUL 9938
RUEHPE/AMEMBASSY LIMA PRIORITY 0744
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 2987
RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 0789
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C O N F I D E N T I A L QUITO 001671

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TAGS: [PGOV](#) [PREL](#) [PE](#) [EC](#)
SUBJECT: ALAN GARCIA WOWS QUITO

Classified By: PolOff Vanessa Schulz for reason 1.4 (b&d)

¶1. (C) Summary: Peruvian President-elect Alan Garcia and his FM-designate Jose Antonio Garcia Belaunde visited Ecuador on July 6 to affirm positive bilateral relations and promote further regional economic integration between Peru, Ecuador, Colombia, Chile, and Brazil. Garcia publicly expressed his support for the extension of ATPDEA benefits for Ecuador and the resumption of U.S.-Ecuador free trade talks. Acting FM Diego Ribadeneira was privately very enthusiastic about the visit, especially Garcia's openness to binational energy and development cooperation. Garcia's public statements were welcomed here, where he is viewed as the new counter-weight to Venezuelan President Chavez in the region. End Summary.

¶2. (U) President Garcia arrived in Quito on July 6 and was received by the acting Minister of Foreign Affairs, Diego Ribadeneira. Garcia met first with Ecuadorian president, Alfredo Palacio. He later met with the press.

¶3. (U) Garcia publicly supported Ecuador's petroleum policy including its decision to expel Occidental Petroleum, saying the Oxy decision should not affect free trade negotiations with the United States. Likely at GOE request, he publicly supported the extension of ATPDEA benefits for Ecuador and the resumption of U.S.-Ecuador free trade negotiations.

¶4. (U) Garcia also publicly reaffirmed positive bilateral relations between Ecuador and Peru, denying that his country had any outstanding border disputes with Ecuador and would not question maritime limits. Garcia also reportedly briefed Palacio about his plan to strengthen economic integration between Peru, Colombia, Brazil, Chile, and Ecuador. Garcia publicly denied that he was trying to form a counterweight to Chavez in the region and said he hoped Venezuela would rejoin the CAN.

MFA and Public Reaction Positive

¶5. (C) Acting Foreign Minister Diego Ribadeneira told the DCM on July 7 that there was an excellent rapport between Garcia and Palacio. The GOE found Garcia and his FM-designate Jose Antonio Garcia Belaunde very open towards Ecuador and committed to binational dialogue. They believed border development projects in energy and other areas would continue and possibly improve under Garcia. Ribadeneira said the GOE enthusiastically supports Garcia's efforts to have Chile rejoin the CAN as an associate member and thinks the prospects for this are good. Chile's membership would add

needed weight to the CAN in the wake of Venezuela's recent exit, Ribadeneira said. The UNSC seat was not discussed.

¶6. (U) Public reaction to the visit was generally positive, focused on Garcia's assurances that relations between the two countries would not become conflictive. A newspaper editorial commented that a new Ecuadorian government will have to decide whether to side with Chavez' anti-U.S. block or with a pro-free trade Garcia block that seeks to maintain good relations with the U.S.

Comment

¶7. (C) Garcia's visit emphasized conciliation and cooperation with Ecuador and the Andean region, confirming that border clashes between the two neighbors are a thing of the past. Public reaction to the visit was positive and it is likely Ecuador will join Garcia's efforts to strengthen regional integration, especially given the reportedly excellent rapport between Garcia and Palacio.

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